

Message Text

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ACTION STR-08

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02

SS-20 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02

OMB-01 SAM-01 OIC-04 DRC-01 AF-10 ARA-16 EA-11 NEA-10

/247 W

----- 019079

R 231330Z FEB 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0647

INFO AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 02955

E.O. 11652: GDS

TAGS: ETRD, EEC, US, GATT

SUBJECT: ARTICLE 24:6

REF: BONN 2715 (NOTAL)

1. SUMMARY: THE FRG QUESTIONS THE TIME PRESSURE OF
THE NEGOTIATIONS ON XXIV:6 FROM A LEGAL POINT OF VIEW.
IT SUGGESTS THAT THE US DESIST IN ITS "TIME PHILIBUSTER"
AND ENGAGE IN DISCUSSIONS OF SUBSTANCE WITH THE
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COMMISSION. STATE SECRETARY ROHWEDDER PROMISES A

CONSTRUCTIVE FRG POSITION. END SUMMARY

2. DURING HIS VISIT TO BONN, AMBASSADOR GREENWALD CALLED ON ECONOMICS MINISTRY MINISTERIALDIREKTOR STEEG TO DISCUSS 24:6. AMBASSADOR GREENWALD STATED THAT 24:6 WAS A VERY SERIOUS PROBLEM WHICH WE SHOULD SETTLE AND SETTLE PROMPTLY. HE NOTED THAT THE SENATE FINANCE COMMITTEE WOULD BEGIN HEARINGS ON THE ADMINISTRATION'S TRADE BILL SOON AND HE EMPHASIZED THAT IN ORDER TO GET THIS LEGISLATION APPROVED, IT WAS ESSENTIAL FOR US TO SHOW PROGRESS ON 24:6.

3. FRAU STEEG RESPONDED THAT TIME PRESSURE BEING IMPOSED BY THE US WAS NOT HELPFUL IN THE FRG'S ATTEMPTS TO IMPROVE THE ATMOSPHERE AND TO BRING ABOUT AN END TO THIS UNHAPPY SET OF CIRCUMSTANCES. SHE NOTED THAT THERE WAS DOUBT IN THE EC THAT THE TIME PRESSURE EXISTS FROM A LEGAL POINT OF VIEW AND SHE ADDED THAT IN ANY EVENT THE TIMING PROBLEM IS A US ISSUE NOT AN EC ONE. SHE STATED THAT IN THE PRESENT SITUATION AFTER THE WASHINGTON ENERGY CONFERENCE ANYTHING THAT WOULD WORK TO FORCE A QUICK DECISION ON THE PART OF THE EC WOULD MORE THAN LIKELY LEAD TO A NEGATIVE DECISION RATHER THAN A POSITIVE ONE. SHE SAID THAT WHAT WAS NOW IMPORTANT WAS TO CALM THINGS DOWN A BIT AND SHE SUGGESTED THAT THE US AND THE COMMISSION SHOULD GET TOGETHER AND TALK ABOUT THE SUBSTANCE OF THE ISSUES INVOLVED AND GET AWAY FROM WHAT THE FRENCH CALL A US FILIBUSTER ON TIMING.

4. AMBASSADOR GREENWALD STATED THAT OUR LAWYERS TAKE THE VIEW THAT THERE IS A TIMING DEADLINE WHICH WAS TRIGGERED THE MOMENT THE BINDINGS WERE WITHDRAWN. FRAU STEEG'S DEPUTY ELLSON REPLIED THAT IN THE FRG'S VIEW THERE WAS NO DEADLINE SINCE THE PERIOD FOR PROTECTING OUR RIGHTS DATES FROM THE MOMENT THE NEGOTIATIONS BREAK DOWN AND THIS EVENT HAS NOT YET OCCURRED. FRAU STEEG SUGGESTED THAT IT MIGHT BE FRUITFUL FOR US AND EC LAWYERS TO GET TOGETHER AND DISCUSS THIS ISSUE. IN RESPONSE TO AMBASSADOR
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GREENWALD'S QUESTION SHE SAID SHE DID NOT THINK FRENCH WOULD OBJECT IF THE COMMISSION CAME FORWARD WITH A PRACTICAL SOLUTION IN THIS REGARD.

5. AMBASSADOR GREENWALD STRESSED THE IMPORTANCE THE US ATTACHES TO ITS GRAIN RIGHTS IN THE 24:6 CONTEXT. FRAU STEEG SAID THAT AT THIS POINT IN TIME NOBODY IN THE COMMUNITY WAS PREPARED TO NEGOTIATE ON THIS

ISSUE AND NO ONE IS PREPARED TO ACKNOWLEDGE THAT
THE COMMUNITY OWES THE US ANYTHING. SHE SUGGESTED
THAT HERE TOO THE US AND THE COMMISSION SHOULD ATTEMPT
TO COME UP WITH A FORMULA WHEREBY EACH SIDE AGREES
TO DISAGREE AND WHICH PLACES THIS ISSUE IN THE CONTEXT
OF THE MTN. SHE SAID THE FRENCH MIGHT BALK AT THIS
APPROACH BUT THAT IF A FORMULA COULD BE FOUND WHEREBY
EACH SIDE COULD AVOID THE LOSS OF FACE AGREEMENT
MIGHT BE POSSIBLE. WE ASKED WHAT HERR KUEHN HAD
MEANT BY HIS SUGGESTION IN AN EARLIER CONVERSATION
THAT THE EC SIMPLY RESTATE ITS POSITION ON GRAINS
(SEE REFTL). SHE SAID HIS SUGGESTION WAS THAT THE EC
REPEAT ITS VIEWS ON ITS GLOBAL CONCEPT FOR
AGRICULTURE WITHIN THE MTN.

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 02955

6. AMBASSADOR GREENWALD STATED THAT UP TO NOW THE COMMISSION HAD BEEN UNWILLING TO DISCUSS THE SUBSTANCE OF 24:6 ON THE GROUNDS THAT THE COUNCIL'S DECISION HAD BEEN CHARACTERIZED AS FINAL. HE SAID HE HOPED THAT THE COMMISSION MIGHT BE A LITTLE FREER NOW TO ENGAGE IN A DIALOGUE WITH THE US AS A RESULT OF THE DISCUSSIONS HELD AT THE DINNER AFTER THE ARTICLE LL3 COMMITTEE MEETING. FRAU STEEG DID NOT COMMENT EXCEPT
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TO NOTE THAT THE FOCUS OF THE DISCUSSIONS AT THAT DINNER HAD BEEN ON THE TIMING QUESTION AND THAT THERE HAD BEEN NO MENTION OF SPECIFIC PRODUCTS.

7. AMBASSADOR GREENWALD ALSO RAISED THE SUBJECT OF 24:6 IN A DISCUSSION WITH FOREIGN MINISTRY MINISTERIAL DIREKTOR HERMES. HERMES REPEATED THE FRG'S THESIS ON TIMING DEADLINE. HE STRESSED THE NEED TO AVOID ANOTHER CHICKEN WAR AS WELL AS THE NECESSITY TO ENSURE THAT THIS PROBLEM DOES NOT GET OUT OF PROPORTION.

8. WHILE MEETING TODAY WITH ECONOMICS MINISTRY STATE SECRETARY ROHWEDDER ON OTHER MATTERS, AMBASSADOR HILLENBRAND ALSO RAISED THE SUBJECT OF XXIV:6 NEGOTIATIONS AND SAID THAT IT WAS IMPERATIVE THAT AN EARLY RESOLUTION OF THIS PROBLEM BE REACHED IN ORDER TO AVOID THE POTENTIAL NEGATIVE IMPLICATIONS FOR ALL CONCERNED OF FAILURE TO CONCLUDE THE NEGOTIATIONS SATISFACTORILY. RESPONDING, KUEHN (OFFICE DIRECTOR FOR GATT AFFAIRS), WHO WAS ALSO PRESENT AT THE MEETING, TOOK A HARD LINE ON FURTHER CONCESSIONS BY THE COMMUNITY TO THE US, ESPECIALLY BEFORE THE COMMUNITY HAD RECEIVED RESPONSES TO ITS LAST OFFER FROM "AT LEAST HALF" OF THE OTHER PRINCIPAL TRADING PARTNERS. FURTHERMORE, KUEHN SAID, CERTAIN ITEMS ON THE US HARD CORE LIST PRESENTS THE FRG WITH PARTICULAR PROBLEMS AS FAR AS FURTHER CONCESSIONS ARE CONCERNED. HE THOUGHT THAT, GIVEN THE TIME SQUEEZE UNDER WHICH THE US SIDE IS LABORING IT MIGHT BE MOST PRACTICAL IF THE COMMUNITY WAIVED THE SIX-MONTH DEADLINE, THEREBY RELIEVING PRESSURE ON BOTH SIDES AND PROVIDING ADDITIONAL TIME FOR RESOLUTION OF

THE PROBLEM. IT APPEARED FROM KUEHN'S REMARKS THAT
FRG WOULD BE PLUGGING THIS APPROACH (ALSO REPORTED
IN LONDON'S 2280). ROHWEDDER'S OWN CONTRIBUTION
TO THE DISCUSSION WAS A MORE FORTHCOMING COMMENT TO
THE EFFECT THAT, WITH FLEXIBILITY ON BOTH SIDES
AND A READINESS TO COMPROMISE, IT SHOULD BE POSSIBLE
TO AVOID A CONFRONTATION SITUATION. HE PROMISED
TO KEEP A CLOSE EYE ON THE PROBLEM AND TO SUPPORT
A CONSTRUCTIVE FRG POSITION.

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HILLENBRAND

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Message Attributes

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